

Mailed Date: March 6, 2007

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Telecommunications Division  
Public Programs Branch**

**RESOLUTION T- 17072  
March 1, 2007**

**R E S O L U T I O N**

**Resolution T-17072. Approval of the Deaf and Disabled  
Telecommunications Program (DDTP) Administrative Committee Fund  
Surcharge Rate of 0.37% Effective April 1, 2007.**

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**Summary**

This resolution adopts a surcharge rate of 0.37% effective April 1, 2007. This revised surcharge rate shall remain in effect until further revised by the Commission. All certificated telecommunications carriers shall assess a DDTP rate of 0.37% on their end-user's billings rendered on April 1, 2007, and thereafter.

**Background**

The Commission established the DDTP and expanded the program with the implementation of three legislative mandates. The three legislative mandates are: PU Code Section 2881(a) which authorizes the provision of TTYs to deaf or hard of hearing individuals; PU Code Section 2881(c) which authorizes the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and cognitive disabilities; and PU Code Section 2881(b) which uses third-party intervention, also known as the California Relay Service, (CRS) to connect consumers who are deaf or hearing impaired with hearing parties. The DDTP Administrative Committee (AC) administered the DDTP and oversaw its finances. Two advisory committees, the Equipment Program Advisory Committee (EPAC) and the CRS Advisory Committee (CRSAC), advised the DDTPAC on the equipment and relay service programs.

SB 669 (1999) changed the operations of the Commission's public programs in two ways: 1) it transferred the funds for the programs from a bank trust fund to the State Treasury and, 2) it changed the duties of the administrative committees to those of advisory boards.

Because of the size of the DDTP and the complexities involved, the Commission sought an extension of the original deadline of July 1, 2002, for the transfer of the DDTP funds.

AB 1734, signed into law in June 2002, provided for an extension of the deadline for the transfer of DDTP funds from July 1, 2002, to July 1, 2003.

## **Discussion**

In this Resolution, the Commission adopts a surcharge rate of 0.37% effective April 1, 2007, an increase from the current rate of 0.05%, until further revised by the Commission.

Appendix A shows the actual results of operations for fiscal year (FY) 2005-06 from the August 11, 2006, letter from the Commission's Fiscal branch to State Controller's Office. FY 2006-07 includes a forecasted billing base of \$21,270.761 million for four months and a revised forecasted billing base of \$21,791.722 million for eight months and the FY 2006-07 expense budget, as adopted in Resolution T-16896 and an ending cash balance as of June 30, 2007, less than one month of forecasted monthly expenses. FY 2007-08 includes an unchanged forecasted billing base of \$21,791.722 million, the FY 2007-08 expense budget, as adopted in Resolution T-17047, and an ending cash balance as of June 30, 2008, equivalent to approximately two months of forecasted monthly expenses.

All certificated telecommunications carriers shall assess a revised DDTP surcharge rate of 0.37% on their end-user's billings rendered for intrastate telecommunications services on April 1, 2007, and thereafter.

## **Advice Letter Filing**

In accordance with Resolution T-16901, dated December 2, 2004, AT&T (formerly SBC) should file an Advice Letter on or before March 22, 2007, modifying the DDTP surcharge rate from 0.05% to 0.37% to take effect on April 1, 2007, and thereafter, until further revised by the Commission.

To maximize administrative efficiency, AT&T is allowed to file simultaneously on or before March 22, 2007, the revised tariff schedules in compliance with resolutions revising various public program surcharges effective on April 1, 2007, and thereafter in accordance with the provisions of G.O. 96, as modified by first, second, and third interim orders. AT&T is not required to inform competing carriers of tariff changes which comply with this resolution.

## **Comments**

In compliance with PU Code § 311 (g), a notice letter was e-mailed on January 30, 2007, to all telecommunications carriers, the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, for whom email was available, the Telecommunications Access for the Deaf and Disabled Administrative Committee

(TADDAC) members, California Relay Service Advisory Committee (CRSAC) members and the Equipment Program Advisory Committee (EPAC) members informing these parties that this draft resolution is available at the Commission's website, [www.cpuc.ca.gov](http://www.cpuc.ca.gov) and is available for public comments.

TD received no comments on this resolution.

## Findings

1. In October 1999, Public Utilities Code (PU) Code § 270-281 were codified as a result of the enactment of Senate Bill 669.
2. Assembly Bill 1734, signed into law in June 2002, extended the timeframe for the transfer of the Deaf and Disabled Telecommunications Program (DDTP) Administrative Committee Fund into the State Treasury to July 1, 2003, from July 1, 2002.
3. PU Code § 270(b) requires that the monies in DDTP Administrative Committee Fund may only be disbursed pursuant to § 270-281 and upon appropriation in the annual Budget Act.
4. The Commission, in Resolution T-16896, dated September 22, 2005, approved a \$69.030 million DDTP FY 2006-07 expense budget and in Resolution T-17047, dated August 24, 2006, approved a \$69.030 million DDTP FY 2007-08 expense budget.
5. The revised forecasted billing base beginning November 2006 for FY 2006-07 and FY 2007-08 is \$21,791.772 million.
6. The June 30, 2006, ending cash balance and the Commission adopted \$69.030 million FY 2007-08 expense budget requires the Commission to increase the surcharge rate for the DDTP fund from 0.05% to 0.37% effective April 1, 2007, and thereafter, until further revised by the Commission. The revised surcharge rate will enable the DDTP fund to register an ending cash balance equivalent to approximately two months of forecasted program expenses as of June 30, 2008.
7. All certificated telecommunications carriers should assess the revised DDTP surcharge of 0.37% on their end-user's billings rendered for intrastate telecommunications services on April 1, 2007, and thereafter, until further revised by the Commission.
8. In accordance with Resolution T-16901, dated December 2, 2004, AT&T should file an Advice Letter on or before March 22, 2007, modifying the DDTP surcharge rate

from 0.05% to 0.37% to take effect on April 1, 2007, and thereafter, until further revised by the Commission. The advice letter should be filed in accordance with the provisions of G.O. 96, as modified by first, second, and third interim orders.

9. Copies of the notice letter advising parties of the availability of this draft resolution for public comments and the conformed resolution, when adopted by the Commission on the Commission's web site, were e-mailed to all telecommunications carriers, the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, for whom email was available, the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) members, California Relay Service Advisory Committee (CRSAC) members and the Equipment Program Advisory Committee (EPAC) members on January 30, 2007.
10. TD received no comments on this resolution.

**THEREFORE, IT IS ORDERED that:**

1. The Deaf and Disabled Telecommunications Program Administrative Committee (DDTP AC) fund surcharge rate of 0.37% effective April 1, 2007, and thereafter, until further revised by the Commission, is adopted.
2. In compliance with Resolution T-16901, dated December 2, 2004, AT&T shall file an Advice Letter on or before March 22, 2007, modifying the surcharge rate for the DDTP AC fund from 0.05% to 0.37%, effective April 1, 2007, and thereafter, until further revised by the Commission. This advice letter should be filed in accordance with the provisions of G.O. 96, as modified by first, second, and third interim orders.
3. All certificated telecommunications carriers shall assess the revised DDTP AC fund surcharge of 0.37% on their end-user's billings rendered for intrastate telecommunications billings on April 1, 2007, and thereafter, until further revised by the Commission.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 1, 2007. The following Commissioners approved it:

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STEVE LARSON  
Executive Director

MICHAEL R. PEEVEY  
President  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY A. SIMON  
Commissioners

APPENDIX A

DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM ADMINISTRATIVE COMMITTEE FUND  
FORECASTED RESULTS OF OPERATIONS FOR FY 2006-07 and FY2007-08

	FY 2005-06 Per Year-end Report to SCO	FY 2006-07 T-16896 (Expense Budget)	Res T-17047 (Expense Budget)
A TELECOMMUNICATIONS REVENUE SUBJECT TO SURCHARGES <sup>1</sup>			
a Billing base beginning November 2006	\$21,270,761,000	\$21,270,761,000	\$21,791,772,242
B SURCHARGE RATES			
a Effective February 1, 2004	0.30%		
b Effective January 1, 2006	0.27%	0.27%	
c Effective August 1, 2006	0.05%	0.05%	
d Effective April 1, 2007		0.37%	0.37%
1 BEGINNING FUND BALANCE	\$23,665,338	\$36,410,789	\$567,515
2 REVENUES			
a Surcharge (based on Ln A thru Ln B)	\$67,151,051	\$32,142,108	\$80,629,557
b Investment Income	\$2,182,595	\$1,044,619	\$2,620,461
c Total Revenues (Ln a + Ln b)	\$69,333,646	\$33,186,727	\$83,250,018
3 PROGRAM EXPENSES			
Prior Period Adjustment	(\$1,908,131)		
a FY 2004-05	\$4,580,372		
b FY 2005-06 (Actual)	\$53,915,955		
c FY 2006-07 (Resolution T-16896)		\$69,030,000	
d FY 2007-08 (Resolution T-17047)			\$69,030,000
e Total Expenses (sum of a, b and c)	\$56,588,195	\$69,030,000	\$69,030,000
4 FUND BALANCE (Ln 1 + Ln 2 - Ln 3)	\$36,410,789	\$567,515	\$14,787,533

<sup>1</sup> \$21,270.761 million is based on actual recorded twelve months intrastate billings amount (March 2005 through February 2006); beginning November 2006, billing base revised to \$21,791.772 million based on actual recorded twelve months intrastate billings amount (November 2005 through October 2006)